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LB 1240

So that is the concept. I would be certainly glad to answer any questions anyone may want to ask.

SPEAKER BAACK: Thank you, Senator Conway. Senator Warner.

SENATOR WARNER: I guess maybe a couple of questions for Senator Conway. I take it these are general obligation bonds that they'd be voting?

SENATOR CONWAY: They would be revenue bonds...well, it would depend. They'd be revenue bonds because, in many cases, they may build the facility and then lease that facility out to an operator, and then the revenues from that would be supporting the bonds. But the whole faith and credit of the community would have to stand behind those.

SENATOR WARNER: This is not general obligation bonds that the city would be voting?

SENATOR CONWAY: No, they would be revenue bonds. These facilities would be rented.

SENATOR WARNER: I understand they would be rented but what are they pledging for the bonds?

SENATOR CONWAY: I believe they are still...in essence, the pledge would still be the credit and the faith of that municipality.

SENATOR WARNER: From the rental of the property, not a general obligation bond of the taxpayers on their property tax?

SENATOR CONWAY: I believe, and I should have reviewed this again before since it has been a while since we dealt with it. I believe that they can be set up on a revenue basis, but the city would stand behind those bonds if the revenue does not generate enough.

SENATOR WARNER: Then it is a general obligation bond.

SENATOR CONWAY: So, in essence, it would be general obligation.

SENATOR WARNER: Because I...and the type of housing that would be built could be anything?